

# SENATE MOTION

**MADAM PRESIDENT:**

**I move** that Engrossed House Bill 1001 be amended to read as follows:

- 1           Page 61, between lines 33 and 34, begin a new paragraph and  
2           insert:  
3           "SECTION 40. IC 6-3.5-7-13.1, AS AMENDED BY HEA 1040-  
4           2006, SECTION 145, IS AMENDED TO READ AS FOLLOWS  
5           [EFFECTIVE JULY 1, 2006]: Sec. 13.1. (a) The fiscal officer of each  
6           county, city, or town for a county in which the county economic  
7           development tax is imposed shall establish an economic development  
8           income tax fund. Except as provided in sections 23, 25, 26, and 27 of  
9           this chapter, the revenue received by a county, city, or town under this  
10          chapter shall be deposited in the unit's economic development income  
11          tax fund.  
12          (b) Except as provided in sections 15, 23, 25, 26, and 27 of this  
13          chapter, revenues from the county economic development income tax  
14          may be used as follows:  
15               (1) By a county, city, or town for economic development projects,  
16               for paying, notwithstanding any other law, under a written  
17               agreement all or a part of the interest owed by a private developer  
18               or user on a loan extended by a financial institution or other  
19               lender to the developer or user if the proceeds of the loan are or  
20               are to be used to finance an economic development project, for  
21               the retirement of bonds under section 14 of this chapter for  
22               economic development projects, for leases under section 21 of  
23               this chapter, or for leases or bonds entered into or issued prior to  
24               the date the economic development income tax was imposed if  
25               the purpose of the lease or bonds would have qualified as a  
26               purpose under this chapter at the time the lease was entered into  
27               or the bonds were issued.  
28               (2) By a county, city, or town for:  
29                       (A) the construction or acquisition of, or remedial action  
30                       with respect to, a capital project for which the unit is  
31                       empowered to issue general obligation bonds or establish a

1 fund under any statute listed in IC 6-1.1-18.5-9.8;  
2 (B) the retirement of bonds issued under any provision of  
3 Indiana law for a capital project;  
4 (C) the payment of lease rentals under any statute for a  
5 capital project;  
6 (D) contract payments to a nonprofit corporation whose  
7 primary corporate purpose is to assist government in  
8 planning and implementing economic development projects;  
9 (E) operating expenses of a governmental entity that plans  
10 or implements economic development projects;  
11 (F) to the extent not otherwise allowed under this chapter,  
12 funding substance removal or remedial action in a  
13 designated unit; or  
14 (G) funding of a revolving fund established under  
15 IC 5-1-14-14.

16 ~~(3) By a county, city, or town for any lawful purpose for which~~  
17 ~~money in any of its other funds may be used:~~

18 ~~(4)~~ (3) By a city or county described in IC 36-7.5-2-3(b) for  
19 making transfers required by IC 36-7.5-4-2. If the county  
20 economic development income tax rate is increased after April  
21 30, 2005, in a county having a population of more than one  
22 hundred forty-five thousand (145,000) but less than one hundred  
23 forty-eight thousand (148,000), the first three million five  
24 hundred thousand dollars (\$3,500,000) of the tax revenue that  
25 results each year from the tax rate increase shall be used by the  
26 county only to make the county's transfer required by  
27 IC 36-7.5-4-2. The first three million five hundred thousand  
28 dollars (\$3,500,000) of the tax revenue that results each year  
29 from the tax rate increase shall be paid by the county treasurer to  
30 the treasurer of the northwest Indiana regional development  
31 authority under IC 36-7.5-4-2 before certified distributions are  
32 made to the county or any cities or towns in the county under this  
33 chapter from the tax revenue that results each year from the tax  
34 rate increase. In a county having a population of more than one  
35 hundred forty-five thousand (145,000) but less than one hundred  
36 forty-eight thousand (148,000), all of the tax revenue that results  
37 each year from the tax rate increase that is in excess of the first  
38 three million five hundred thousand dollars (\$3,500,000) that  
39 results each year from the tax rate increase must be used by the  
40 county and cities and towns in the county for additional  
41 homestead credits under subdivision ~~(5)~~: (4)

42 ~~(5)~~ (4) This subdivision applies only in a county having a  
43 population of more than one hundred forty-five thousand  
44 (145,000) but less than one hundred forty-eight thousand  
45 (148,000). Except as otherwise provided, the procedures and  
46 definitions in IC 6-1.1-20.9 apply to this subdivision. All of the  
47 tax revenue that results each year from a tax rate increase  
48 described in subdivision ~~(4)~~ (3) that is in excess of the first three  
49 million five hundred thousand dollars (\$3,500,000) that results  
50 each year from the tax rate increase must be used by the county

1 and cities and towns in the county for additional homestead  
 2 credits under this subdivision. The following apply to additional  
 3 homestead credits provided under this subdivision:

4 (A) The additional homestead credits must be applied  
 5 uniformly to increase the homestead credit under  
 6 IC 6-1.1-20.9 for homesteads in the county, city, or town.

7 (B) The additional homestead credits shall be treated for all  
 8 purposes as property tax levies. The additional homestead  
 9 credits do not reduce the basis for determining the state  
 10 property tax replacement credit under IC 6-1.1-21 or the  
 11 state homestead credit under IC 6-1.1-20.9.

12 (C) The additional homestead credits shall be applied to the  
 13 net property taxes due on the homestead after the  
 14 application of all other assessed value deductions or  
 15 property tax deductions and credits that apply to the amount  
 16 owed under IC 6-1.1.

17 (D) The department of local government finance shall  
 18 determine the additional homestead credit percentage for a  
 19 particular year based on the amount of county economic  
 20 development income tax revenue that will be used under this  
 21 subdivision to provide additional homestead credits in that  
 22 year.

23 ~~(6)~~ (5) This subdivision applies only in a county having a  
 24 population of more than four hundred thousand (400,000) but  
 25 less than seven hundred thousand (700,000). Except as otherwise  
 26 provided, the procedures and definitions in IC 6-1.1-20.9 apply  
 27 to this subdivision. A county or a city or town in the county may  
 28 use county economic development income tax revenue to provide  
 29 additional homestead credits in the county, city, or town. The  
 30 following apply to additional homestead credits provided under  
 31 this subdivision:

32 (A) The county, city, or town fiscal body must adopt an  
 33 ordinance authorizing the additional homestead credits. The  
 34 ordinance must:

35 (i) be adopted before September 1 of a year to apply to  
 36 property taxes first due and payable in the following  
 37 year; and

38 (ii) specify the amount of county economic  
 39 development income tax revenue that will be used to  
 40 provide additional homestead credits in the following  
 41 year.

42 (B) A county, city, or town fiscal body that adopts an  
 43 ordinance under this subdivision must forward a copy of the  
 44 ordinance to the county auditor and the department of local  
 45 government finance not more than thirty (30) days after the  
 46 ordinance is adopted.

47 (C) The additional homestead credits must be applied  
 48 uniformly to increase the homestead credit under

IC 6-1.1-20.9 for homesteads in the county, city, or town.

(D) The additional homestead credits shall be treated for all purposes as property tax levies. The additional homestead credits do not reduce the basis for determining the state property tax replacement credit under IC 6-1.1-21 or the state homestead credit under IC 6-1.1-20.9.

(E) The additional homestead credits shall be applied to the net property taxes due on the homestead after the application of all other assessed value deductions or property tax deductions and credits that apply to the amount owed under IC 6-1.1.

(F) The department of local government finance shall determine the additional homestead credit percentage for a particular year based on the amount of county economic development income tax revenue that will be used under this subdivision to provide additional homestead credits in that year.

(c) As used in this section, an economic development project is any project that:

(1) the county, city, or town determines will:

(A) promote significant opportunities for the gainful employment of its citizens;

(B) attract a major new business enterprise to the unit; or

(C) retain or expand a significant business enterprise within the unit; and

(2) involves an expenditure for:

(A) the acquisition of land;

(B) interests in land;

(C) site improvements;

(D) infrastructure improvements;

(E) buildings;

(F) structures;

(G) rehabilitation, renovation, and enlargement of buildings and structures;

(H) machinery;

(I) equipment;

(J) furnishings;

(K) facilities;

(L) administrative expenses associated with such a project, including contract payments authorized under subsection (b)(2)(D);

(M) operating expenses authorized under subsection (b)(2)(E); or

(N) to the extent not otherwise allowed under this chapter, substance removal or remedial action in a designated unit;

or any combination of these.

(d) If there are bonds outstanding that have been issued under section 14 of this chapter or leases in effect under section 21 of this

1 chapter, a county, city, or town may not expend money from its  
2 economic development income tax fund for a purpose authorized under  
3 subsection (b)(3) in a manner that would adversely affect owners of the  
4 outstanding bonds or payment of any lease rentals due."

5 Renumber all SECTIONS consecutively.

(Reference is to EHB 1001 as printed February 24, 2006.)

---

Senator DROZDA